

On May 8, 2008, Committee on Transportation and Infrastructure Chairman James L. Oberstar introduced H.R. 6003, the “Passenger Rail Investment and Improvement Act of 2008”. The bill authorizes \$14.9 billion for Amtrak capital and operating grants, state intercity passenger grants, and high-speed rail over the next five years.

Major provisions of the bill include:

- **Increases Capital and Operating Grants to Amtrak.** The bill authorizes \$4.2 billion (an average of \$840 million per year) to Amtrak for capital grants and \$3.0 billion (an average of \$606 million per year) for operating grants. Past inconsistent Federal support has hampered Amtrak’s ability to replace catenaries, passenger cars, bridges, ties, and other equipment necessary for Amtrak to provide service. These capital grants will help Amtrak bring the Northeast Corridor to a state-of-good-repair, procure new rolling stock, rehabilitate existing bridges, as well as make additional capital improvements and maintenance over its entire network. In addition, the operating grants authorized under the bill will help Amtrak pay salaries, health costs, overtime pay, fuel costs, facilities, and train maintenance and operations. These operating grants will also ensure that Amtrak can meet its obligations under its recently negotiated labor contract.
- **Develops State Passenger Corridors.** In an effort to encourage the development of new and improved intercity passenger rail services, the bill creates a new State Capital Grant program for intercity passenger rail capital projects, and based on the New Starts transit capital program administered by the Federal Transit Administration. The bill provides \$2.5 billion (\$500 million per year) for grants to States to pay for the capital costs of facilities and equipment necessary to provide new or improved intercity passenger rail. The Federal share of the grants is up to 80 percent. The Secretary of Transportation would award these grants on a competitive basis for projects based on economic performance, expected ridership, and other factors.
- **Provides Funding for High-Speed Rail Corridors.** The National Surface Transportation Policy and Revenue Study Commission, established to develop a national transportation vision to address surface transportation needs for the next 50 years, recommends that the United States establish a high-speed rail network that spans the entire country. The bill authorizes \$1.75 billion (\$350 million per year) for grants to States and/or Amtrak to finance the construction and equipment for 11 authorized high-speed rail corridors. The Federal share of the grants is up to 80 percent. The Secretary of Transportation would award these grants on a competitive basis for projects based on economic performance, expected ridership, and other factors.
- **Alleviates Rail “Choke Points.”** Many of Amtrak’s service routes outside the Northeast Corridor suffer from poor service reliability and on-time performance because of freight traffic congestion. This congestion prevents Amtrak from retaining and attracting new ridership, and increases Amtrak’s operating costs. The Department of Transportation Inspector General recently reported that if Amtrak achieved an 85 percent on-time performance outside the Northeast Corridor in fiscal year 2006, it would have saved Amtrak \$136.6 million, or almost one-third of its operating budget. Amtrak is required by law to have preferred access on freight corridors; however, Amtrak does not always receive its preferred access. The bill addresses this problem by providing congestion grants to Amtrak and the States for high-priority rail corridors in order to reduce congestion and facilitate ridership growth. The Congressional Budget Office estimates that this program authorizes \$520 million from fiscal years 2009 through 2013.
- **Reduces Amtrak’s Debt.** Federal support of Amtrak was cut drastically in fiscal year 2000 and 2001, forcing Amtrak to assume a large amount of debt to stay in operation. Amtrak has aggressively targeted this debt, paying down \$600 million from 2002 through 2007. Our bill helps Amtrak to take further steps to reduce its debt, authorizing \$1.7 billion (\$345 million per year) for debt service through FY2013. This funding will allow Amtrak to focus its resources on improving existing services and making additional capital and operational improvements.
- **Establishes an RFP for High-Speed Rail Service.** A provision of H.R. 6003 directs the Secretary of Transportation to issue a request for proposals for projects for the financing, design, construction, and operation of an initial high-speed rail system operating between Washington, DC, and New York City. Proposals would need to meet certain financial, labor, and planning criteria, as well as a detailed description to account for any impacts on existing passenger, commuter, and freight rail traffic to be considered. If the Secretary receives a qualifying proposal, she would be directed to form a Commission to study any proposals received. Finally, the Secretary would issue a report to the Congress on the Commission’s findings. Any further action on a proposal would need legislative approval by Congress.
- **Resolves Disputes between Commuter and Freight Railroads.** Currently, no Federal guidelines exist to mediate disputes between commuter rail providers and freight railroads over use of freight rail tracks or rights-of-way, nor is there a standard forum for negotiating commuter rail operating agreements. The bill establishes a forum at the STB to help complete stalled commuter rail negotiations, helping our rail network operate as efficiently as possible. This section is identical to what was included in H.R. 2701, the “Transportation Energy Security and Climate Change Mitigation Act of 2007”, as ordered reported by the Committee on Transportation and Infrastructure on June 20, 2007.